



State Capitol  
Lansing, Michigan 48913  
517/373-7888  
1-888-937-4453  
517/373-2983 (fax)  
sengjacobs@senate.michigan.gov

**GILDA Z. JACOBS**  
**MICHIGAN SENATE**  
**ASSISTANT DEMOCRATIC FLOOR LEADER**  
**FOURTEENTH DISTRICT**

Committees  
Economic Development, Small  
Business and Regulatory Reform VC  
Families and Human Services VC  
Government Operations  
Health Policy

# The Jacobs Report

**FOR IMMEDIATE RELEASE**  
**Friday, June 18, 2004**

**CONTACT: Matt Levin**  
**(517) 373-7888**

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## **SENATE SNUFFS OUT CIGARETTE TAX—FOR NOW**

Cigarette, liquor, estate and casino taxes failed Thursday in the Senate. In fact, two versions of the cigarette tax—the governor’s version and the Senate Republican version—were voted down. GOP leadership opted to reconsider the vote and pass the measure for the day, which means that it is likely to come up again for a vote in the near future. The combined number of “yes” votes for each proposal reached 21: 16 Democrats backed Governor Jennifer Granholm’s proposal and five Republicans voted for the substitute proposed by Senate Majority Ken Sikkema (R-Wyoming). If a compromise version of the bill is presented, it could net 19 votes for passage.

Sen. Sikkema lamented that budget discussions were at a stalemate “because there is no willingness to compromise on the cigarette tax. It’s all been no, no, no.”

Granholm spokesperson Liz Boyd said that the governor has “proposed a balanced budget and a means to pay for it. It is time for the Legislature, particularly the Senate, to get real.”

Both plans would raise Michigan’s cigarette tax by 75 cents a pack. The contention between the governor and the Senate GOP lies in where those new revenues would be directed. The governor and Senate Democrats want the money earmarked for health care, while the Republicans want the money put in the general fund.

The Senate’s Thursday vote summed up efforts between lawmakers and the administration to reach a budget deal. A meeting between legislative leaders and the administration was cancelled, and a new meeting time has not yet been set. Budget targets remain elusive.

Senate Democratic Leader Bob Emerson has been critical of the cigarette tax’s regressive nature, preferring a “fairer” tax, such as an across-the-board increase in the income tax, to help resolve the state’s budget situation. He argued that a cigarette tax disproportionately impacts the poor, and such a tax is only defensible if its revenues go toward health care.

The Granholm Administration seemed to agree. “We’re not going to stand by and let health care for children, seniors and persons with disabilities to be held hostage by one person and one plan,” said Ms. Boyd.

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Casino, liquor and estate taxes also failed.

The estate tax proposal, in SB 1113, failed on a party-line vote. The measure would decouple the state's estate tax from the federal estate tax, which is in the process of being phased-out. Eighteen other states have decoupled their estate taxes.

Senator Emerson said the tax would affect only 900 of the state's richest families, while not affecting small family-owned businesses and farms.

Sen. Sikkema argued that the proposal amounted to "double taxation" on income that individuals would already have paid tax on.

### **PAPER OR PLASTIC . . . TAX?**

This week, Senator Ron Jelinek (R-Three Oaks) introduced legislation that would tack a 2-cent tax on any non- biodegradable plastic shopping bag.

Senate Appropriations Committee Chair Shirley Johnson (R-Troy) joined Sen. Jelinek in promoting the bill (SB 1308) as another revenue option for the Fiscal Year (FY) 2005 budget. Estimates have this bill raising \$64-\$86 million while cutting down on these environmentally harmful items.

Under SB 1308, revenues would be split between state's School Aid Fund and regional recycling centers, a concept that's been stalled in the Senate because of a lack of funding consensus.

"This idea could be as plausible as any other idea out there," said Sen. Jelinek said. "These are the ideas that could come up and do us some good."

By discouraging the use of plastic, customers would choose biodegradable paper bags or perhaps bring their own canvas bags to the store with them. If these options hurt revenue estimates, at least the environment is benefiting.

Plastic bags have been outlawed in Ireland. Australian officials are also considering a ban.

The Michigan Environmental Council reports that most plastic bags are made from petroleum, a non-renewable resource, as part of a dirty, energy intensive process that can release toxic materials into the air.

The Sierra Club reports that when a ton of plastic bags are reused or recycled, the energy equivalent of 11 barrels of oil are saved. According to [www.reusablebags.com](http://www.reusablebags.com), sea turtles, cows and other marine and land animals mistake plastic bags for food and choke to death when the bag gets stuck in their intestines.

Reusablebag.com also reports that it takes 1,000 years for a plastic bag to biodegrade. When it does break down, the tiny bits allegedly contaminate the soil.

The bill was referred to the Senate Finance Committee, chaired by Sen. Nancy Cassis (R-

Novi). Senate Majority Leader Sikkema appears to be supportive of the concept, but doesn't consider it part of this year's budget conversation.

## **WEST NILE VIRUS PREVENTION**

The Michigan Department of Community Health reports that there are no commercially available human vaccines for the prevention of West Nile virus. Prevention of arboviral diseases like West Nile virus centers around controlling exposure to mosquitoes and avoiding mosquito bites as well as public health measures to reduce the populations of infected mosquitoes.

These measures include:

Reduce time outdoors, especially at dusk, during mosquito seasons

Wear light weight long sleeves and long pants if you are outdoors

If outdoors, apply insect repellent exposed skin or clothing that contains the active ingredient, DEET. (Be sure to follow the manufacturer's instructions)

Maintain window and door screens to keep mosquitoes out of buildings

See the Homeowner Mosquito Control section for more detailed information. Drain standing water in the yard because they are potential mosquito breeding sites. Empty standing water from flower pot bases, pet bowls, clogged rain gutters, swimming pool covers, discarded tires, buckets, barrels, cans, etc.

Public health measures include:

Monitoring - Surveillance and outreach programs to identify mosquito pools, birds, horses, and humans positive for West Nile virus.

Education - of health care providers, local municipal authorities, veterinarians, and Michigan's citizens about WNV.

Mosquito control - Reduction of mosquito breeding sites and application of larvicides and insecticides to control mosquito larvae and adults.

Although Michigan still has no reported human cases, researchers have identified 10 new birds in six Michigan counties that have tested positive for the West Nile Virus (WNV).

Health department officials throughout the state have now found a total of 11 dead crows that have tested positive for WNV in Saginaw, Allegan, Missaukee, Van Buren, Livingston, and Iosco Counties. The state's first WNV positive bird was found in Saginaw County in early May.

"Record rainfall in many parts of the state this spring has made conditions favorable for increased mosquito activity," said Janet Olszewski, Director of the Michigan Department of

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Community Health. "We urge citizens to exercise appropriate precautions and limit their exposure to mosquitoes, especially when planning extended outdoor activities."

People over 50 years of age are most at risk for serious WNV illness. Physicians are urged to test patients for WNV during the summer months if they present with fever and signs of meningitis or encephalitis, or sudden painless paralysis not related to a stroke.

In 2002, Michigan reported 644 human cases of WNV with 51 deaths. In contrast, Michigan was lightly impacted by WNV in 2003, with only 19 human cases and two deaths reported. It is difficult to predict the impact WNV may have on Michigan in 2004.

In addition to the testing of dead crows, blue jays, and ravens, WNV surveillance efforts include collecting information about dead bird sightings.

Citizens can find more information and report dead bird sightings on Michigan's WNV website at [www.michigan.gov/westnilevirus](http://www.michigan.gov/westnilevirus).

All Michigan legislation can be tracked at <http://www.legislature.michigan.gov/>.

**State Senator Gilda Jacobs** represents the 14<sup>th</sup> Senate District, which includes Beverly Hills, Bingham Farms, Farmington, Farmington Hills, Ferndale, Franklin, Hazel Park, Huntington Woods, Lathrup Village, Oak Park, Pleasant Ridge, Royal Oak Township, Southfield, and Southfield Township. She is the Minority Vice Chair of the Families & Human Services Committee and the Economic Development, Small Business & Regulatory Reform Committee. She also serves on the Government Operations and Health Policy Committees.

**Constituents of the 14<sup>th</sup> District may contact Senator Jacobs at [sengjacobs@senate.michigan.gov](mailto:sengjacobs@senate.michigan.gov) or toll-free at 1-888-937-4453.**

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